NEWS RELEASE

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

FOR IMMEDIATE RELEASE
December 7, 2000

TREASURER ANGELIDES SELLS VETERANS AFFAIRS HOME PURCHASE REVENUE BONDS

SACRAMENTO, CA—California State Treasurer Philip Angelides conducted a bond sale for the Department of Veterans Affairs on December 6, 2000, selling $97,130,000 in revenue bonds at a true interest cost of 5.250 percent. The bonds were rated AA-, Aa3, and AA- by Fitch, Moody's Investors Service, and Standard & Poor's, respectively.

The underwriters, led by Lehman Brothers with Bear, Stearns & Co. Inc. and Merrill Lynch & Co. serving as co-senior managers, sold the bonds in a negotiated sale. Estrada Hinojosa & Company, Inc.; Goldman, Sachs & Co.; Great Pacific Fixed Income Securities, Inc.; Roberts & Ryan Investments Inc.; Siebert Brandford Shank & Co., LLC; and The Chapman Company participated in the sale as part of the co-management team. Hawkins, Delafield & Wood served as lead bond counsel with Quateman & Zidell serving as disclosure counsel. Public Resources Advisory Group served as pricing advisor.

The bonds will support the financing of long-term mortgage loans to California military veterans for the purchase of farms and homes under the Farm and Home Purchase Program of the State Department of Veterans Affairs. The Department began making low interest financing available to qualified veterans after World War I. Since its inception in 1921, over 410,500 veterans have benefited from loans provided by this program.

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